



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

EC-2007-070
II A-104

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

CERTIFIED MAIL # 334 884 698
RETURN RECEIPT REQUESTED

C.T. Corporation System
Agent for Service of Process to
Conoco, Inc.
850 United Plaza Boulevard
Baton Rouge, LA 70809

Re: Notice of Violations AED/MSEB #4722

Dear Agent:

On August 20, 1996, inspectors for the U.S. Environmental Protection Agency ("EPA") inspected the Bentley Hardware/Grocery gasoline retail outlet at 19069 Highway 167, Bentley, Louisiana, in Grant Parish, for compliance with section 211 of the Clean Air Act, 42 U.S.C. § 7545, and the regulations issued thereunder at 40 C.F.R. Part 80 (the "volatility regulations"). The volatility regulations prohibit gasoline retailers from selling, offering for sale, or dispensing gasoline whose Reid vapor pressure (RVP) exceeds 7.8 pounds per square inch (psi) in the Grant Parish, Louisiana, compliance area from June 1 through September 15. On August 22, 1996, the inspectors for EPA inspected Andy's Grocery gasoline retail outlet at 7978 Ridge Street, Pollock, Louisiana, also in Grant Parish, for the same compliance determination purposes. As the refiner whose corporate, trade, or brand name (or that of its marketing subsidiaries) is displayed at these retail outlets, Conoco, Inc. is the branded refiner for these facilities as described in 40 C.F.R. § 80.28(e).

The Clean Air Act and the volatility regulations subject violators to a civil penalty of not more than the sum of \$25,000 for every day of violation of the regulations, in addition to the economic benefit or savings resulting from the violation.

The EPA investigation of the Bentley Hardware/Grocery gasoline retail outlet and its gasoline suppliers confirmed that three grades of unleaded gasoline (unleaded regular, plus, and

super), having an RVP greater than 7.8 psi, were sold, offered for sale or dispensed in Grant Parish, Louisiana at the Bentley Hardware/Grocery gasoline retail outlet on August 20, 1996. The investigation further confirmed that unleaded regular gasoline having an RVP greater than 7.8 psi was supplied by J.B. McCartney Oil ("McCartney Oil") of Highway 8, Jena, Louisiana, a distributor and/or reseller of gasoline, to the Bentley Hardware/Grocery retail outlet on twelve (12) occasions in the 1995 volatility regulatory control period and five (5) occasions in the 1996 control period; unleaded plus grade gasoline with such RVP on four (4) occasions in the 1995 control period and two (2) occasions in the 1996 control period; and unleaded super gasoline with such RVP on two (2) occasions in the 1995 control period and three (3) occasions in the 1996 control period. (See attachment 1.)

The EPA investigation of Andy's Grocery gasoline retail outlet and of its gasoline suppliers confirmed that unleaded regular gasoline having an RVP greater than 7.8 psi was supplied by McCartney Oil to Andy's Grocery retail outlet on twenty-nine (29) occasions in the 1995 volatility regulatory control period and sixteen (16) occasions in the 1996 control period; and unleaded super gasoline with such RVP on eighteen (18) occasions in the 1995 control period and twelve (12) occasions in the 1996 control period. (See attachment 2.)

The above constitutes one hundred six (106) apparent violations of 40 C.F.R. § 80.27. Conoco, Inc., as the branded refiner for these facilities, is liable for these apparent violations pursuant to 40 C.F.R. § 80.28.

The Administrator of the Environmental Protection Agency has authority to mitigate the statutory penalty of \$25,000 per violation per day established by the Clean Air Act for violations of the volatility regulations. After consideration of the gravity of the violations, the apparent size of your business, and your history of compliance with the volatility regulations, we propose to reduce the statutory penalty for the violations alleged in this Notice to one hundred twenty-one thousand and sixty-six dollars (\$121,056.00). This initial reduced penalty may be adjusted further depending on the particular circumstances of this case and provided that you show that you have corrected the violations and the conditions which caused the violations.

The Environmental Protection Agency encourages settlement of such matters rather than initiating litigation. The settlement process provides substantial flexibility for reducing the statutory penalty, particularly if the alleged violations are corrected promptly. If we cannot settle this matter within 90

days, our normal procedure is to prepare cases like this for trial either by referral to the United States Department of Justice with a recommendation to file a civil complaint in federal district court or by the filing of an administrative complaint. The amount of civil penalty sought in the complaint will increase substantially. If we are unable to agree to terms within this time frame, the settlement terms acceptable to the Environmental Protection Agency thereafter will increase.

The EPA official designated below has been assigned to this case. Please contact her regarding this Notice of Violations.

Judith Lubow, Attorney/Advisor
U.S. Environmental Protection Agency
Western Field Office
12345 W. Alameda Parkway
Suite 214
Denver, CO 80228
(303) 969-6483

If you wish to pursue settlement of this matter we will make every effort to reach an equitable settlement.

Sincerely yours,

Bruce C. Buckheit
Bruce C. Buckheit, Director
Air Enforcement Division
Office of Enforcement and Compliance

Attachments

ATTACHMENT 1 - McCartney Oil deliveries of unleaded gasoline having an RVP over 7.8 psi to Bentley Hardware/Grocery.

1995

- June 2: regular grade, See your Placid Refining Company manifest ("Pmanifest") #99761;
- June 12: regular, Pmanifest #100153;
- June 26: regular, Pmanifest #100570;
- July 3: regular and plus, Pmanifest #100152 and #100154;
- July 10: regular, plus and super, Pmanifest #101669 and #101670;
- July 19: regular, Pmanifest #102500 and #102502;
- July 27: regular, Pmanifest #102976;
- August 3: regular, Basis Petroleum, Inc. manifest #21590;
- August 10: regular and plus, Pmanifest #103432 and #103434;
- August 18: regular, Pmanifest #103936;
- August 25: regular and plus: Pmanifest #103952 and #103953;
- August 31: super, Pmanifest #105136;
- September 8: regular, Pmanifest #105150.

1996

- July 16: regular, Pmanifest #117527 and Basis manifest #234;
- July 19: regular, Pmanifest #119159;
- July 23: regular and super, Atlas Processing Company manifest #19747;
- August 6: regular, plus, and super, Pmanifest #119458 and #119459;
- August 16: regular, plus, and super: Pmanifest #122928 and #122929.

ATTACHMENT 2 - McCartney Oil deliveries of unleaded gasoline having an RVP over 7.8 psi to Andy's Grocery.

1995

- June 2: regular grade, See your Placid Refining Company manifest ("Pmanifest") #99761;
- June 6: regular and super, Pmanifest #99742 and #99767;
- June 8: regular and super, Pmanifest #99748 and #99750;
- June 12: regular, Pmanifest #100153;
- June 15: regular and super, Pmanifest #100558 and #100575;
- June 20: regular and super, Pmanifest #100571 and #100573;
- June 23, regular, Pmanifest #100561;
- June 26: regular, Pmanifest #100570;
- June 29: regular and super, Pmanifest #100958 and #100959;
- July 3: regular, Pmanifest #100154;
- July 7: regular and super, Pmanifest #100138 and #100140;
- July 11: regular and super, Pmanifest #101671 and #101672;
- July 14: regular and super, Pmanifest #101687 and #101688;
- July 19: regular, Pmanifest #102500;
- July 21: regular and super, Pmanifest #102508 and #102509;
- July 25: regular, Pmanifest #102513;
- July 31: regular and super, Pmanifest #102989 and #102990;
- August 4: regular and super, Pmanifest #102993 and #102994;
- August 8: regular and super, Pmanifest #103427 and #103428;
- August 10: regular, Pmanifest #103433;
- August 14: regular and super, Pmanifest #103442 and #103443;
- August 18: regular, Pmanifest #103936;
- August 23: regular and super, Pmanifest #103941 and #103942;
- August 25: regular and super, Pmanifest #103952 and #103953;
- August 29: regular and super, Pmanifest #105128 and #105129;
- August 31: regular, Pmanifest #105137;
- September 5: regular and super, Pmanifest #105146 and #105147;
- September 8: regular, Pmanifest #105150;
- September 13: regular and super, Pmanifest #105932 and #105933.

1996

- June 4: regular and super, Pmanifest #117405 and #117406;
- June 10, regular and super, Pmanifest #117637 and #117639;
- June 15: regular and super, Pmanifest #116632 and #117633;
- June 19: regular and super, Pmanifest #117727 and #117728;
- June 24: regular and super, Pmanifest #117718 and #117719;
- June 28: regular, Pmanifest #118301;
- July 3; regular and super, Pmanifest #118584 and #118586;
- July 5: regular, Pmanifest #118585;
- July 10: regular and super, Atlas Processing Co. manifest #18384;
- July 16: regular and super, Basis Petroleum, Inc. manifest #234 and #235;
- July 19: regular, Pmanifest #119151;
- July 23: regular, Atlas manifest #19747;
- July 27: regular and super, Pmanifest #119820 and #119822;
- August 6: regular and super, Pmanifest #119460 and #119461;
- August 15: regular and super, Pmanifest #122926 and #122927;
- August 20: regular and super, Basis manifest #1257.